



# Nigeria Telecommunication Fact Sheet

United States Embassy in Nigeria

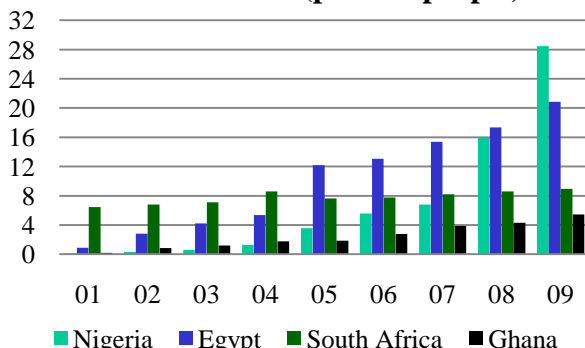
## Industry Highlights

- The Nigerian information and communication technologies (ICT) sector has experienced high growth rates since its liberalization in 2003.
- This growth has been fueled by new entrants and the launch of mobile value-added and broadband services.
- The ICT sector grew by 6.7% with an estimated service revenue of \$8.6 billion in 2010.
- The ICT Sector is forecast to have exceptional and continued growth with a population of over 150 million and mobile penetration at just 55.8% by year-end 2010.

## Macro-economic Snapshot

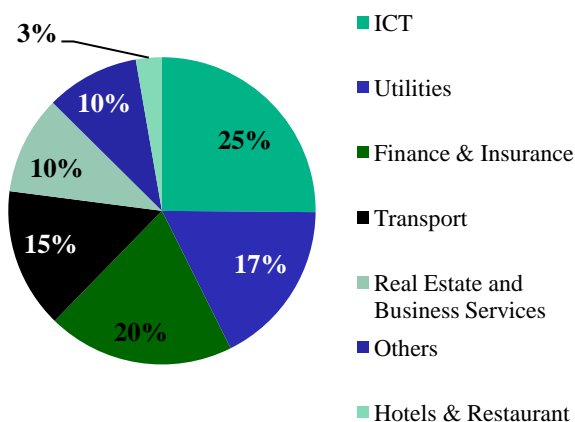
- Internet usage among Nigerians grew in leaps and bounds in 2008-2009; growing by 17% in 2008 and 23% in 2009.
- Nigeria had the most Internet users per 100 people on the continent of Africa in 2009.

### Internet Users (per 100 people)



- The ICT sector has contributed 8.2 percent to the nation's Gross Domestic Product (GDP) in 2010.
- The ICT sector is the fastest and most robust sector of the Nigerian economy, contributing more than the manufacturing, banking and solid minerals sectors combined.

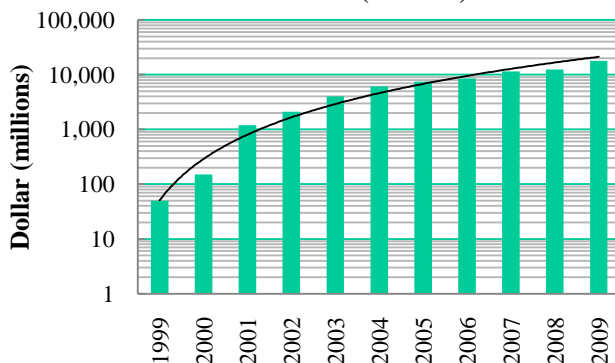
### Service Sector contribution to GDP 2010



## Investment

- ICT investment spiked 700% in 2001 and received double-digit growth every subsequent year.
- Investment rose by 31% to \$18 billion in 2009.

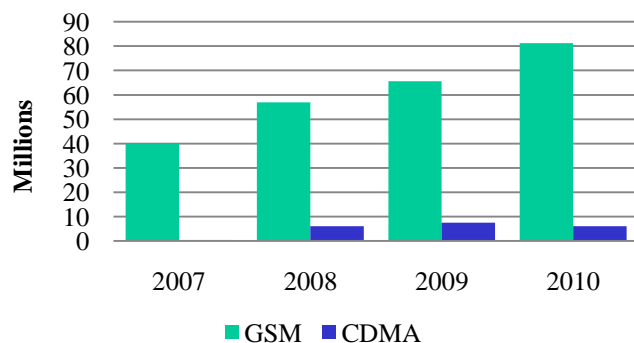
### ICT Investment (in USD)



## GSM vs. CDMA

- The GSM subscriber base is much greater than that of CDMA, with 99% percent of all users relying on the GSM platform in 2010.
- The CDMA subscriber base dropped by more than 15% from 2009 to 2010.
- The CDMA market is currently experiencing a consolidation with competition over a reduced subscriber base.

### Active GSM and CDMA Lines

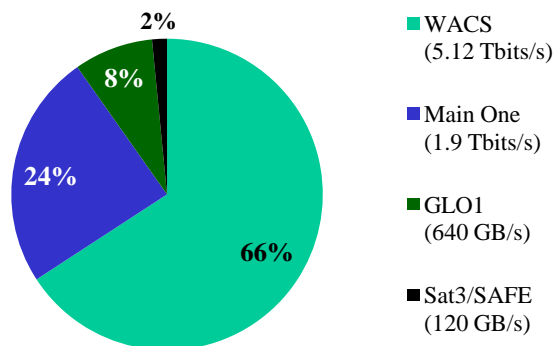


- Code-Division Multiple Access (CDMA) is any of several protocols used in second-generation (2G) and third-generation (3G) wireless communications.
- CDMA is a form of multiplexing, which allows numerous signals to occupy a single transmission channel, optimizing the use of available bandwidth.
- Global System for Mobile Communications (GSM) is a standard set developed to describe technologies for second generation (2G) digital cellular networks.
- The GSM standard originally described a digital, circuit-switched network optimized for full duplex voice telephony.

### Infrastructure Development

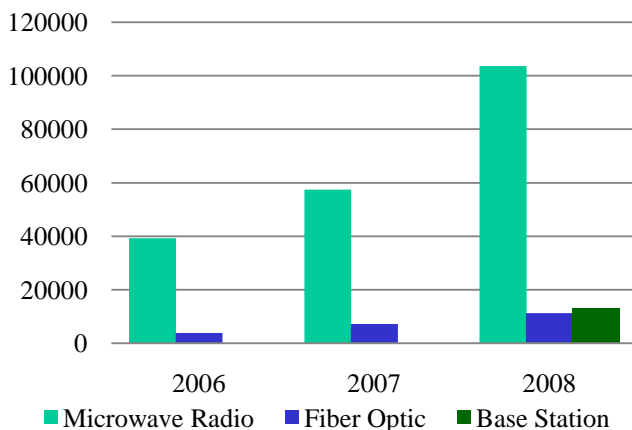
- Successful activation of the West African Cable System (WACS) would give integrated telecom leader, MTN the majority shareholder position in the fiber-optic cable market.
- Main One and Globacom would be closer competitors if the privatization of Nigeria Telecommunications Limited (NITEL) is awarded to Globacom.
- WACS is expected to come online in 2012.

### Undersea Fiber-Optic Cable Capacity



- Microwave radio coverage was the most expansive last-mile coverage approach in 2006, 2007, and 2008.
- Base station coverage surpassed fiber optic coverage in 2008 and sizeable investments in base station capacity are expected in coming years.

### Last Mile Infrastructure Development (in Kilometers)

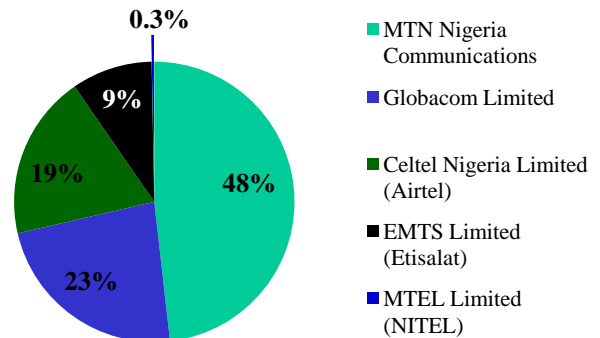


### Players

- MTN Nigeria is the majority shareholder in the GSM subscribers market.
- Airtel is the latest entry into the market, having purchased Zain in 2010.

### Pricing

### GSM Players and Market Share 2011



- A subscriber identity module (SIM) is an integrated circuit that securely stores the service-subscriber key (IMSI) used to identify a subscriber on mobile telephony devices (i.e., cell phones and computers).
- The Nigerian market experienced its most notable drop in SIM card price in 2004, when the price of a card went from \$67 to \$7.
- Prices continue to drop, hovering above \$1 in 2011.

### Cost of a SIM Card in Nigeria



- Peak airtime minutes dropped from \$0.31 in 2003 to \$.26 in 2004 and then again from \$.27 in 2008 to \$.23 in 2009 (U.S. subscribers pay as little as \$0.20 for peak airtime minutes).
- ICT stakeholders anticipate that prices will further decline with the activation of the WACS cable.

### Cost of Peak Airtime Minutes in Nigeria

